



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

American Specialty Pharmacy

Respondent Name

Texas Mutual Insurance Company

MFDR Tracking Number

M4-16-0895-01

Carrier's Austin Representative

Box Number 54

MFDR Date Received

December 7, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: Submitted documentation does not include a position statement from the requestor.

Amount in Dispute: \$165.30

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The requestor billed **\$165.30** for dispensing Trazodone and Fluoxetine. The fluoxetine was paid according to the requestor's network contract rate but the Trazodone was denied for no preauthorization as it has an 'N' status in ODG and Texas Mutual has no record of a preauthorization request or authorization for the Trazodone."

Response Submitted by: Texas Mutual Insurance Company

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
September 8, 2015	Prescription Medications (Trazadone HCl & Fluoxetine HCl)	\$165.30	\$158.21

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.503 sets out the fee guidelines for pharmaceutical services.
3. Texas Insurance Code §1305.101 defines the duties of networks to provide medical treatment.
4. Texas Labor Code §408.0281 sets out the provisions for informal and voluntary networks for pharmaceutical services.

5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - CAC-18 – Exact duplicate claim/service
 - 224 – Duplicate charge

Issues

1. Is this dispute subject to medical fee dispute in accordance with 28 Texas Administrative Code §133.307?
2. Are the insurance carrier's reasons for denial or reduction of payment supported?
3. What is the total reimbursement for the disputed services?
4. Is the requestor entitled to reimbursement?

Findings

1. In their position statement, the insurance carrier implies that this claim may include network contract issues. Texas Insurance Code §1305.101(c) states, "Notwithstanding any other provision of this chapter, prescription medication or services, as defined by Section 401.011(19)(E), Labor Code, **may not, directly or through a contract, be delivered through a workers' compensation health care network.** Prescription medication and services shall be reimbursed as provided by Section 408.0281, Labor Code, other provisions of the Texas Workers' Compensation Act, and applicable rules of the commissioner of workers' compensation" [emphasis added]. Because prescription medications may not be delivered through a workers' compensation health care network, fee disputes involving prescription medications are subject to dispute resolution in accordance with 28 Texas Administrative Code §133.307.
2. In their position statement, the insurance carrier indicates that the prescription medication, Fluoxetine, was paid according to a network contract. Submitted documentation does not include an explanation of benefits supporting this payment or documentation to support an informal or voluntary network as defined by Texas Labor Code §408.0281.

The insurance carrier also indicates in their position statement that the prescription medication, Trazadone, was "denied for no preauthorization." Submitted documentation does not include an explanation of benefits supporting this denial.

The insurance carrier denied disputed services with claim adjustment reason codes CAC-18 – "EXACT DUPLICATE CLAIM/SERVICE," and 224 – "DUPLICATE CHARGE." Review of the submitted information does not find documentation to support that the disputed services were previously reviewed. The insurance carrier's denial reason is not supported. The disputed services will therefore be reviewed per applicable Division rules and fee guidelines.

3. The total reimbursement for the disputed services is established by the AWP formula pursuant to 28 Texas Administrative Code §134.503(c), which states, in relevant part:
 - (c) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:
 - (1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:
 - (A) Generic drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.25) + \4.00 dispensing fee per prescription = reimbursement amount;
 - (B) Brand name drugs: $((\text{AWP per unit}) \times (\text{number of units}) \times 1.09) + \4.00 dispensing fee per prescription = reimbursement amount;
 - (C) When compounding, a single compounding fee of \$15 per prescription shall be added to the calculated total for either paragraph (1)(A) or (B) of this subsection; or
 - (2) notwithstanding §133.20(e)(1) of this title (relating to Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:
 - (A) health care provider

The requestor is seeking reimbursement for the generic drugs Trazadone HCl, NDC 50111044102 and FluoxetineHCl, NDC 00781282210. The disputed medication was dispensed on September 8, 2015. The reimbursement is calculated as follows:

Date of Service	Prescription Drug	Calculation per \$134.503 (c)(1)	\$134.503 (c)(2)	Lesser of \$134.503 (c)(1) & (2)	Carrier Paid	Balance Due
9/8/15	Trazadone HCl	(2.51238 x 30 x 1.25) + \$4.00 = \$98.21	\$105.30	\$98.21	\$0.00	\$98.21
9/8/15	Fluoxetine HCl	(2.53194 x 30 x 1.25) + \$4.00 = \$98.95	\$60.00	\$60.00	\$0.00	\$60.00

4. The total reimbursement for the disputed services is \$158.21. According to the submitted documentation, the insurance carrier paid \$0.00. A reimbursement of \$158.21 is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$158.21.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$158.21 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

	Laurie Garnes	December 18, 2015
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.